



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

## PREFACE

THOUGH the present extreme confusion of the whole economic life of the world must without doubt be ascribed to several different causes, the general disorder of the monetary system seems to be one of the most essential of them. It is essential in that absolute sense that it is vain to look for any real or permanent improvement of the present conditions of production and trade if not a certain stability is previously restored to the world's monetary standards. This, therefore, is a problem which ought now to command the first interest and the most arduous efforts of all those who are, either as practical bankers or as representatives of economic science, competent to judge on monetary matters.

It seems to be a rather general belief that the exchanges will right themselves fast enough when trade resumes its normal course. This would do, of course, if the different monetary standards could be restored to their old parity with gold. But this is, as everybody knows, quite out of the question. The monetary disturbances are much deeper than people think of when taking such an easy view of the problem before us. First of all a stable monetary standard must be established in each separate country. In so far the problem might be regarded merely as each country's own business. But in fixing such a standard every country will doubtless have a certain regard to its effect on the rates of exchange with other countries and prob-

ably also with gold. Further the gold policy of every big country will have its influence on the value of gold in the world and, therefore, on the capability of each country of giving to its money a fixed value as against gold. Thus the problem inevitably becomes an international problem.

The definite treatment of this problem will require a certain coöperation of the different nations. The first step in this coöperation should naturally be an international discussion of the matter. A conference of a strictly non-political character between leading bankers and economists of the world would, I venture to think, be the right *forum* for such a discussion. It seems desirable, however, that some principal points with regard to the actual nature and the causes of the disturbances as well as to the measures to be taken should previously be brought under the notice of those interested in this matter. In order thus to further an inquiry which seems to be, in the present situation, of the utmost importance for the economic future of the world, I venture to offer, on the following pages, some leading propositions on the present monetary question. I have tried to be as brief as possible and have, therefore, only given the main points of the matter. Where further explanations will be needed I shall be very glad to furnish them.

GUSTAV CASSEL.

Djursholm, Sweden, September 1919.